

Date: March 20, 2012

To: Thomas J. Bonfield, City Manager
Through: Theodore L. Voorhees, Deputy City Manager
From: Donald F. Greeley, Director, Water Management
Subject: Purchase of 134 Acres at Southview Road (Parcel ID 194068)

Executive Summary

Since September of 2009, Department of Parks and Recreation (DPR) staff has been in discussion with staff from the Trust for Public Land (TPL) about the possibility of the City's participation in the purchase of 217 acres on Southview Road in Durham (see attached map) for a total cost of \$2.5 Million. After a series of discussions among Durham County government and City department representatives staff, it was determined that the best use of City resources would be to pursue purchase of only the east side of the property – 134 acres. The purchase would be a collaborative effort with financial support of \$500,000 from the Upper Neuse Clean Water Initiative (UNCWI), \$200,000 from Durham County, \$500,000 from a Clean Water Management Trust Fund (CWMTF) grant, and just over \$550,000 from the City of Durham. The City's contribution will be paid out of existing watershed protection appropriations. The CWMTF grant requires that approximately 104 acres of the land (52 acres as CWMTF buffer and 52 acres as riparian area and upland match) would be put into a conservation easement conveyed to CWMTF as watershed protection for Falls Lake; that portion would be held in fee simple ownership and managed by Durham County. The remaining property (30 acres) would be held in fee simple ownership by the City; some portions of the upland areas could in the future be developed jointly with the County as a park site.

The main purpose of holding the land would be protection of sensitive stream areas within the Falls Lake watershed. According to the DENR/Division of Water Quality stream classification, these tributary streams are on the 303(d) list as nutrient sensitive and are a habitat for two rare aquatic species – the Carolina darter and the four-toed salamander. Further, the areas surrounding the streams are listed as priorities for protection due to their ability to help offset nutrient levels and biological impairments affecting the Falls Lake water supply. Also, the application to the Clean Water Management Trust Fund (CWMTF) notes that the Southview site has two high-ranking riparian corridors along tributary streams of Lick Creek. These received scores of 3 and 4 out of a possible 5; scores receiving a score of 3 or greater are considered for funding through Raleigh's UNCWI program.

Recommendation

The General Services and the Water Management departments recommend that the City Council approve the fee simple acquisition of 134 acres from Southview Developers, LLC,

identified as Parcel ID 194068 at 7099 Wake Forest Highway for a total purchase price of \$1.54 Million and authorize the City Manager to proceed with purchase of the parcel.

Background

Since September of 2009, Department of Parks and Recreation (DPR) staff has been in discussion with staff from the Trust for Public Land (TPL) about the possibility of the City's participation in the purchase of 217 acres on Southview Road in Durham (see attached map) at proposed total cost of \$2.5 Million. After a series of discussions among Durham County government and City department representatives staff, it was determined that the best use of City resources would be to pursue purchase of only the east side of the property – 134 acres. The purchase would be a collaborative effort with financial support of \$500,000 from the Upper Neuse Clean Water Initiative (UNCWI), \$200,000 from Durham County, \$500,000 from a Clean Water Management Trust Fund (CWMTF) grant, and \$550,000 from the City of Durham. The City's contribution would be funded using watershed protection fees assessed to Durham's water and sewer customers. Plans for the site show that 104 acres of the land (52 acres as CWMTF buffer and 52 acres as riparian area and upland match) would be put into a conservation easement as watershed protection for Falls Lake; that portion would be held in fee simple ownership and managed by Durham County. The remaining property – 30 acres- would be held in fee simple ownership by the City; some portions of the upland areas could in the future be developed jointly with the County as a park site.

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Issues/Analysis

TPL originally secured an option on the site for \$3.7 Million; the appraised value of the property was \$3.746 Million in 2010. The owner agreed to further reduce the purchase price to \$2.5 million in order to facilitate the purchase. After further staff discussions, the owner agreed to sell the east side of the property only. Using the reduced price of the parcel, the proposed funding sources/structure would be as follows:

	UNCWI	City	County	CWMTF	TPL	
Land value	\$300,000	\$550,000	\$200,000	\$500,000		
Appraisal					\$11,000	
Survey					\$8,000	
Legal and Closing					\$8,000	
Total Cost						\$1.55 M

This parcel is outside of the Urban Growth Area, so it will not have utilities. The main purpose of this acquisition will be to serve as protection for several sensitive stream areas that feed into Falls Lake. However, there are approximately 40 acres of upland area included in the 134

acres parcel that could be jointly developed by the City and County at some future date for a low-impact park to serve increasing population in eastern Durham.

Alternatives

The City Council could choose not to authorize the City Manager proceed with this agreement.

Financial Impact

The cost and proposed funding sources for this acquisition are outlined in the Issues and Analysis section above. Currently, Water Management appropriates between \$200,000 and \$500,000 annually to protect the watersheds of our primary drinking water sources, Lake Michie and Little River Reservoir.

SDBE Summary

No SDBE issues are raised by this acquisition.

Attachments